

## REMARKS

Claims 1-9 remain in this application. Claims 1-9 are rejected. Claim 1 has been amended. For the reasons discussed below, the rejections are traversed. It is Applicants' belief that the objections and rejections should be withdrawn and the claims passed to allowance.

1. Claim Rejections - 35 U.S.C. §112

Claims 1-9 are rejected under 35 U.S.C. §112, second paragraph, as being incomplete for omitting essential steps. In particular, it is stated that "it is not clear from the claim 1 as presently stated as to how the method would work if the condition 'if the buyer profile code of the at least one buyer does not match the first asset profile code' is met." Applicants respectfully disagree with the conclusions of the Office Action and traverse this rejection.

MPEP §2172.01 states, in pertinent part, "... a claim which fails to interrelate essential elements of the invention as defined by applicant(s) in the specification may be rejected under 35 U.S.C. 112, second paragraph, for failure to point out and distinctly claim the invention."

However, a condition that must be met to support such a rejection is that the supposed essential element of the invention must be so described in the specification. That is not the case here.

There is no discussion in the specification of any essential step that must be taken in the event that a buyer's profile code does not match the first asset profile code.

The claims positively recite steps that take place in the claimed auction. The claims clearly state that in order to participate in an auction on a particular asset, the buyer's profile code must match the asset's profile code. As a matter of course, if the buyer's profile code and the asset's profile code do not match, the buyer will not be provided access to the asset, and will not

participate in the auction of that asset. The claims specifically present this matching of the buyer's profile code with the asset's profile code as a precondition to the remaining steps. The specification also plainly explains this process:

By evaluating the asset profile code and buyer profile codes, the method of the present invention restricts which buyers are eligible to view and purchase the government asset. For instance, only those buyers that are eligible to purchase the asset are informed of the asset's availability. (p. 10, ll. 13-16).

As such, the claimed method provides a condition that must be met by a buyer before the buyer is informed of the asset's availability. There is no essential element to the invention as to what happens if the buyer's profile code does not match the asset profile code. Therefore, the omitted element rejection should be withdrawn.

The Court of Appeals for the Federal Circuit has also spoken on the omitted elements test. Justice Newman clearly points out in the concurrence to *Reiffin v. Microsoft Corp.*, 214 F.3d 1342, 1347, 54 USPQ2d 1915, 1918 (Fed. Cir. 2000) (*per curium*) that:

Section 112 Para.2 instructs the applicant to "distinctly claim [ ] the subject matter which the applicant regards as his invention." This does not automatically require inclusion in every claim of every element that is part of the device or its operation.

*Id.* Thus, while it is certainly possible to include a step on what happens if a buyer's profile code does not match an asset's profile code, this is unnecessary. If a buyer's profile code does not match the asset profile code, then the condition that must be satisfied to be given access to the asset and to bid thereon is not met. If no buyers meet the asset profile, the auction time will expire with no bids. Indeed, the claim specifically states that the auction will end at a specified time, regardless if any bidding has taken place. In that event, as set forth in a dependent claim, the

asset's profile code can be changed to hopefully make the asset available to more potential buyers by lessening the restrictions or by broadening the acceptable community. Such a tiered auction enables certain buyers, such as school districts, or non-profit agencies, to have first opportunities at assets before such assets are opened to others, such as the general public.

2. Claim Rejections - 35 U.S.C. §103

The other basis given for the rejection of the claims is pursuant to 35 U.S.C. §103 based on the Godin patent and the Silverman patent. In particular, claims 1-5 are rejected in view of the Godin patent, and claims 6-9 are rejected based on the Godin patent in view of the Silverman patent. Applicants respectfully disagree and traverse the rejections, and request that the rejections be withdrawn.

One claimed feature of the present invention is that access to auctions is restricted to buyers having a profile code that matches the profile code for a particular asset. As is explained in the specification:

A key to the multi-level restrictive auctions of the present invention is matching the restriction definitions stipulated for a particular asset by the seller with buyers having profiles that qualify them to bid on the asset. When a buyer registers with the provider company, a buyer profile code is established that captures the community to which the buyer belongs and specific attributes that are significant to the restrictive buying process. (p. 7, ll. 9-14)

By evaluating the asset profile code and buyer profile codes, the method of the present invention restricts which buyers are eligible to view and purchase the government asset. For instance, only those buyers that are eligible to purchase the asset are informed of the asset's availability. The asset profile code comprises asset restrictions, which include particular attributes that a buyer must possess, as well as community restrictions, which include specific organizational communities to which the buyer must belong before the buyer is allowed to bid

on the asset. (p. 10, ll. 13-19).

The Office Action relies on a discussion in Godin where it contemplates not allowing users to purchase products offered in auctions in foreign countries. The Godin patent, however, makes it clear that the user is still given access to the products. (col. 5, ll. 4-8). Unlike the present invention, the Godin patent includes no teaching of restricting access to auctions for particular assets based on a comparison of a buyer's profile code and the asset's profile code. Indeed, the Godin patent teaches the opposite.

If a user decides to purchase, he merely clicks on the trigger 150 indicating his choice to buy the product at that particular price. Once this trigger is actuated, the user is removed from the auction process and he is asked to complete the screen shown in FIG. 11. If the user has pre-registered, he may merely enter his user I.D. and PIN number for security at 160. **This is typically the first time the identity of the user is known.** If he is not registered he is forced to fill in the various fields shown below the user I.D. (col. 6, ll. 56-64).

It is clear that regardless of the buyer's profile, he is able to bid on items. In other words, the buyer does not have to first meet certain criteria before being able to bid on an item. This is a significant distinction from the claimed invention. In the Godin patent, the buyer is given access to assets and allowed to bid on such items before establishing authorization to do so. As a result, in situations where the sale of the asset may have been restricted to buyers from a particular country, high bids may go unfulfilled because the winner should not have been able to participate in the bidding. Such unauthorized bidding will have a detrimental effect on the final price as it will likely result in falsely high prices for winning bids. False high bids will also call into question the integrity of the auction system.

Also, as discussed above, the buyer does not provide any profile information prior to

gaining access to the auction for the particular asset. Instead, it is only after the user has decided to make a purchase that he provide any indication of his or her identity. (col. 6, ll. 56-63).

At best, the Godin patent expresses a desire to restrict a buyer's ability to purchase certain assets to avoid international customs and duties issues. However, there is no indication in the Godin patent of pre-authorizing buyers before they are given access to assets, or how this would be done.

Accordingly, the Godin patent fails to disclose or even suggest the matching of a buyer's profile code with an asset's profile code prior to providing the buyer with access to an asset as is claimed. For this reasons alone, Applicants respectfully submit that the Godin patent does not render obvious the invention as set forth in Claims 1-5.

With regard to claims 4 and 5, the Office Action takes official notice regarding a strike price. With all due respect, such official notice is improper in this situation. "Official notice unsupported by documentary evidence should only be taken by the examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known." MPEP §2144.03.

The minimum price described in the Office Action is not the strike price of the present invention. The minimum bid described in the Office Action is essentially a lowest starting bid. By contrast, the strike price of the present invention is a price at which an auction is concluded and the sale made if a bid at that strike price is made. In other words, bidding can occur and be accepted at prices below the strike price. However, if a bid is made at or above the strike price, the auction is concluded and the sale made to the strike price bidder. If a strike price is not met,

the asset can be reclassified and reauctioned, or may simply be sold at the lower price, depending on the parameters provided by the seller. This is specifically claimed in claim 5, which states the auction is concluded if the strike price is met. Contrary to the position taken in the Office Action, the strike price does not guarantee a minimum price for an asset since bidding can still take place and a high bid accepted below the strike price. Also, the strike price does not guarantee that the asset is sold as is stated by the Office Action because bidding can take place below a strike price.

Accordingly, Applicants respectfully submit that the taking of official notice is improper in this case. The premise of what constitutes a strike price in the Office Action is incorrect, and therefore the conclusions based thereon are wrong. Contrary to the Office Action, the claimed strike price does not “ensure[] that the seller is guaranteed a minimum price for the product ....” Instead, it sets threshold bid where any authorized buyer meeting the threshold is deemed to have the highest bid. To the extent the official notice is maintained, Applicants demand authority in support of such official notice.

With regard to claims 6-9, the Office Action relies on the Silverman patent as disclosing the step of assigning an asset a second asset profile code, retrieving and comparing a buyer profile code with the second asset profile code to determine whether there is a match and if the buyer profile code of the at least one buyer matches the second asset profile code, displaying the asset to the at least one buyer.

With all due respect, the Silverman patent discloses nothing of the sort. The Silverman patent is directed to providing a negotiated matching system. In other words, trading partners are matched with other trading partners that match certain parameters. There is no discussion of

reassigning profile codes in the Silverman patent.

With claims 6-9, the second asset profile of the present invention allows a seller to reclassify the buyers that can be given access to the asset. For example, if an asset is first only open to government agencies from a particular state, and the strike price is not met by the end of the time for the auction, the seller can change the asset profile code to include government agencies from all states. This will open the asset to more potential bidders, and presumably result in a higher final bid. By contrast, the Silverman patent simply allows traders to be matched with counterparties meeting certain criteria. There is no teaching of assigning new profile codes to assets for auction.

The Office Action also fails to provide any indication of a suggestion or teaching in the prior art to combine the Godin and Silverman patents in a manner to arrive at the claimed invention. Absent such a motivation to combine, the rejection should be withdrawn. *See e.g., McGinley v. Franklin Sports, Inc.*, 262 F.3d 1339, 1351-52 (Fed. Cir. 2001).

Indeed, Applicants submit that the Godin patent and the Silverman patents are from disparate arts, and the Silverman patent is not relevant art to the present invention. Except for the fact that Silverman patent is a computer system, there is no correlation between the Silverman patent, which is not at all directed to computer based auctions, and the present invention.

3. Claim Amendments

Claim 1 is amended by reordering slightly to clarify that assets for auction are provided to a buyer for bidding only if the buyer's profile code matches the asset's profile code. No new matter is added.

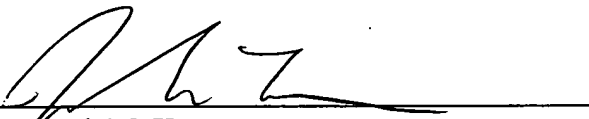
Appl. No. 09/580,145  
Amdt. dated August 22, 2003  
Response to Office Action Mailed July 9, 2003

For the reasons discussed, the rejections in the Office Action are traversed and Applicants requests that the rejections be withdrawn. Applicants further respectfully request that a timely Notice of Allowance be issued in this case.

Respectfully submitted,

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By: \_\_\_\_\_

  
Joseph M. Kuo  
(Reg. No. 38,943)

OLSON & HIERL, LTD.  
20 North Wacker Drive, 36th Floor  
Chicago, IL 60606  
(312) 580-1180